



COUNTY OF LOS ANGELES

CHIEF INFORMATION OFFICE

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September 21, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**AMENDMENT NUMBER TWO TO COUNTY MASTER SERVICES AGREEMENT NUMBER
76043 WITH ORACLE AMERICA, INC. (FORMERLY ORACLE USA, INC.)
(ALL SUPERVISORIAL DISTRICTS – 3 VOTES)**

SUBJECT

The Chief Information Officer is requesting Board approval of Amendment Number Two to County Master Services Agreement Number 76043 with Oracle America, Inc. (formerly Oracle USA, Inc.) to: (1) recognize Oracle America, Inc. as the successor-in-interest to Oracle, USA, Inc. and that it assumes all obligations under the Agreement; and (2) increase the annual maximum contract sum from \$3 million to \$4 million for calendar year 2010.

IT IS RECOMMENDED THAT YOUR BOARD

Approve and instruct the Chair of the Board to sign the attached proposed Amendment Number Two to the County Master Services Agreement with Oracle America, Inc. (formerly Oracle USA, Inc.) to: (1) recognize Oracle America, Inc. as the successor-in-interest to Oracle, USA, Inc. and that it has assumed all and obligations under the Agreement; and (2) increase the annual maximum contract sum from \$3 million to \$4 million for calendar year 2010.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Chief Information Office (CIO) administers the County's Master Services Agreement (MSA) with Oracle America Inc. (Oracle), which provides County departments with streamlined access to valuable technical resources that Oracle is uniquely positioned to provide. These technical and consulting services support the planning, implementation, and support for County information systems utilizing Oracle technologies.

The proposed Amendment to the County's MSA with Oracle addresses two issues. First, it formally recognizes Oracle America, Inc. as the successor-in-interest to Oracle USA, Inc. under the MSA. Oracle America, Inc. is the new corporate entity that resulted from a corporate merger

and reorganization of Oracle USA, Inc., which occurred in February 2010. This Amendment memorializes that this new entity will assume all obligations and responsibilities as the Contractor under the MSA.

Second, it increases the annual maximum contract sum by \$1 million to \$4 million for calendar year 2010. This increase is requested to accommodate departmental demand for Oracle professional and consulting services provided under the MSA.

The total annual contract sum authorized under MSA is currently \$3 million. For calendar year 2010, the CIO has executed four Work Orders totaling \$2,212,875. In discussions with departments, we have identified four Work Orders that are under consideration totaling \$1,641,000 for the remainder of this calendar year, which will exceed the MSA's current annual contract sum.

The table below identifies all planned Work Orders under the Oracle MSA for calendar year 2010.

DEPT	DESCRIPTION	AMOUNT
DCFS/ISD	Migration of DCFS Oracle databases and servers to ISD's Downey data center	\$599,000
DHS	Upgrades to Referral Processing System	492,000
DPSS	Enhancements to applications being migrated from Lotus Notes	300,000
Sheriff	Enhancements to Trial Court Funding application	250,000
Total of Planned Work Orders		\$1,641,000

To accommodate this demand for additional Work Orders listed above, CIO is requesting the annual maximum MSA amount be raised by \$1 million to \$4 million for this calendar year. The MSA ceiling will resume to the \$3 million per calendar year ceiling starting January 1, 2011. We will monitor future Work Orders closely and may request increases to the maximum contract sum in subsequent years if the need arises.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goal Number 3: Organizational Effectiveness. The MSA offers the flexibility necessary to meet varied departmental needs while providing a structure for acquiring desired services through a streamlined acquisition process that is standard across the entire enterprise.

FISCAL IMPACT/FINANCING

By approving this proposed Amendment Number Two, County departments will continue acquiring services under Work Orders, which are governed by the terms and conditions set forth in the MSA. Funding will continue to be obtained from departmental budgets. The administrative provisions of the MSA require confirmation that funding is available before each individual Work Order is executed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed Amendment Number Two to the Oracle MSA will enable departments to continue to submit Work Orders for various professional and consulting services utilizing Oracle technologies. Work Orders over \$300,000 shall be directed to your Board for approval by the respective departments. Work Orders of \$300,000 or less will be executed by the CIO.

The proposed Amendment Number Two has been approved as to form by County Counsel.

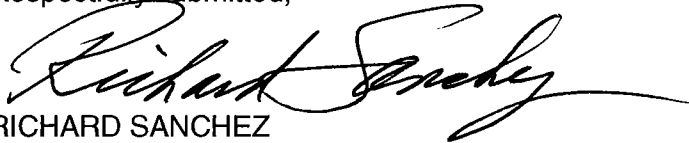
IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Amendment Number Two will provide County departments with continued access to Oracle professional and consulting services. Without approval of this proposed Amendment, Work Orders from departments will be delayed until the next calendar year. This will impact their ability to provide timely services to the public.

CONCLUSION

Upon approval by your Board, it is requested that the Executive Officer, Board of Supervisors return one adopted copy of the Board letter and three executed copies of this Amendment to the Chief Information Office for further processing.

Respectfully submitted,



RICHARD SANCHEZ
Chief Information Officer

RS:GM:GF:pa

Attachment (1)

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

AMENDMENT NUMBER TWO

TO

MASTER SERVICES AGREEMENT

BY AND BETWEEN

THE COUNTY OF LOS ANGELES

AND

ORACLE AMERICA, INC.

FOR

INFORMATION TECHNOLOGY SERVICES

A handwritten mark, possibly a signature or initials, located in the bottom right corner of the page.

AMENDMENT NUMBER TWO TO
MASTER SERVICES AGREEMENT BY AND BETWEEN
THE COUNTY OF LOS ANGELES AND
ORACLE AMERICA, INC. FOR
INFORMATION TECHNOLOGY SERVICES

This Amendment Number Two to Master Services Agreement ("Amendment Number Two") is entered into as of _____, 2010 by and between the County of Los Angeles, a political subdivision of the State of California ("County") and Oracle America, Inc., a Delaware corporation ("Contractor"), with reference to the following facts.

Recitals

A. County and Oracle USA, Inc., a Colorado corporation, entered into that certain Master Services Agreement for Information Technology Services which was approved by County's Board of Supervisors on February 20, 2007, and which was subsequently amended under that certain Amendment Number One dated February 9, 2010 (as amended, the "Agreement");

B. Effective February 15, 2010, Oracle USA, Inc., was merged into Sun Microsystems, Inc., with Oracle America, Inc., a Delaware corporation, remaining as the resulting corporate entity (such merger, the "Merger");

C. As a result of the Merger, Oracle America, Inc. is the successor-in-interest to Oracle USA, Inc., and has assumed all rights and obligations of Oracle USA, Inc. under the Agreement.

D. The parties now wish to amend the Agreement in order to memorialize the Merger.

E. The parties also wish to amend the Agreement to provide for an increase in the Maximum Contract Sum under the Agreement.

NOW, THEREFORE, pursuant to Paragraph 10 (Change Notices and Amendments) of the Agreement, County and Contractor hereby agree and amend the Agreement as follows:

1. All references in the Agreement to "Contractor" or "Oracle USA, Inc." shall henceforth be deemed to refer to "Oracle America, Inc."

2. The recitals set forth above are incorporated into this Amendment Number Two by this reference.

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3. County hereby consents to the Merger as required under Paragraph 21.1 of the Agreement.

4. Oracle America, Inc. hereby confirms that, as a result of the Merger, Oracle America, Inc. has assumed all of Contractor's rights, obligations, interests and liabilities under the Agreement to the same extent as if it had originally been named a party thereto and agrees to observe, perform and fulfill all of the terms and conditions of the Agreement to the same extent as if it had been originally named a party thereto.

5. Paragraph 12.2 of the Agreement is hereby deleted in its entirety and is replaced by the following new Paragraph 12.2 to read as follows:

"12.2 The "Maximum Contract Sum" shall be the total monetary amount payable by County to Contractor for supplying the Services under this Agreement. The total amount which may be paid by County to Oracle during the 2010 calendar year (January 1 through December 31), including all applicable taxes, shall not exceed Four Million Dollars (\$4,000,000.00). The total monetary amount which may be paid by County to Oracle during each subsequent calendar year (January 1 through December 31) of the term of this Agreement, including all applicable taxes, shall not exceed Four Million Dollars (\$4,000,000.00)."

6. In all other respects, the Agreement, as amended under this Amendment Number Two, shall remain in full force and effect.



**AMENDMENT NUMBER TWO TO
MASTER SERVICES AGREEMENT FOR
INFORMATION TECHNOLOGY SERVICES**

IN WITNESS WHEREOF, the Los Angeles County Board of Supervisors has caused this Amendment Number Two to be subscribed by its Chair and the seal of such Board to be hereto affixed and attested by the Executive Officer-Clerk thereof, and Contractor has caused this Amendment Number Two to be subscribed in its behalf by its authorized officer, effective as of the date approved by such Board.

COUNTY OF LOS ANGELES

By _____
GLORIA MOLINA
Chair, Board of Supervisors


ATTEST:
SACHI HAMAI
Executive Officer-Clerk
Los Angeles County
Board of Supervisors

By _____
Deputy

ORACLE AMERICA, INC.
Contractor

Signed: _____
Printed: ROBERT C BAGNULO
Title: SR. CONTRACTS MANAGER

APPROVED AS TO FORM:
ANDREA SHERIDAN ORDIN
County Counsel

By  _____
José Silva
Principal Deputy County Counsel